

**PROSSER PUBLIC HOSPITAL DISTRICT  
DBA PROSSER MEMORIAL HOSPITAL  
Benton County, Washington  
January 1, 1993 Through December 31, 1993**

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**Schedule Of Findings**

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1. The District Should Follow State Bidding Guidelines

During 1993, the Prosser Hospital District entered into a \$187,759.50 contract with Pacific Mobile Structures, Inc., for the custom off-site construction of a 4,088 square foot office building. Included in the contract was necessary foundation site work and installation of the office building at the district's location. This contract is for material purchased and work ordered in the context of a construction project.

Contracts for material and work must comply with the requirements of RCW 70.44.140, which provides in part, as follows:

(1) All materials purchased and work ordered, the estimated cost of which is in excess of five thousand dollars, shall be by contract. Before awarding any such contract, the commission shall publish a notice at least thirteen days before the last date upon which bids will be received, inviting sealed proposals for such work . . . Each bid shall be accompanied by bid proposal security . . . and no bid shall be considered unless accompanied by such bid proposal security. At the time and place named, such bids shall be publicly opened and read, and the commission shall proceed to canvass the bids, and may let such contract to the lowest responsible bidder upon plans and specifications on file, or to the best bidder submitting his or her own plans and specifications.

(2) In lieu of the procedures of subsection (1) of this section, a public hospital district may use a small works roster process and award public works contracts for projects in excess of five thousand dollars up to fifty thousand dollars as provided in RCW 39.04.155.

The district misinterpreted the public bidding requirements of RCW 70.44.140 as not applying to acquisition of the office building at issue. A contract for the construction of an office building, however, is for "materials purchased and work ordered." Thus, it is subject to the public bidding requirements of RCW 70.44.140.

We recommend that in the future, the Prosser Public Hospital District comply with the bidding requirements of RCW 70.44.140.